

Call to Order

Chair Moffitt_ called the meeting to order at 7:00p.m. in the Select Board Conference Room. Present were: Chair Eugenie (Janie) Moffitt, Linn Anderson, Paul Russo, Andrew Betts, John Barry, Mary Ellen Logee and Spiro Christopulos. Also present was Donna Walsh, Finance Director. Absent were Bojay Taylor and Paul Monticciolo. The meeting was videotaped and live cablecast.

Liaison Updates

School – Mr. Russo presented information on the School year-end budget vs. actual numbers (see attached.) Dr. Berman explained that the district used the balance of \$337,146.53 to pay for out-of-district placements so that a larger balance could be left in the circuit breaker of that amount. This was done to increase the reserve in anticipation of the two FY21 Out-of-District unanticipated high placement costs. Those unanticipated costs are estimated to exceed \$800,000. Discussion ensued including following highlights.

- a) Transportation was a “huge hit.” Increase in budget line item from FY20 to FY21 is \$360K due in large part to monitors (11) on special education buses.
- b) The amount in circuit breaker funds is limited to the amount of monies spent the previous year, otherwise, but unusually, the overage reverts to Free Cash.
- c) Minimum amount desirable in circuit breaker is \$500K.
- d) Extraordinary state relief for unexpected high costs can be applied for but not guaranteed.
- e) By circuit breaker formula, the School is responsible for paying the first \$46K for each special needs student, and the following year, the state issues reimbursement of up to 75% of additional qualifying expenses.

Ms. Moffitt reported that the MSBA rejected the AHS request for funding. The MSBA found the school utilization rate was 83%, not the 115% reported by the school. The MSBA may have included the Collins Center and the Field House in its calculations. The school will follow up for feedback with the state on this discrepancy. Discussion ensued.

Full Day Tuition Free Kindergarten – Dr. Berman and Ms. Scully

Ms. Moffitt presented the four items that the School Committee asked the Finance Committee to formally endorse in its consideration of full day kindergarten proposed for FY21 (see attached.)

1. FDK tuition would be eliminated beginning with the 2020/21 school year (FY21). The Finance Committee agreed.
2. The full balance of the existing kindergarten revolving account (estimated at \$960,000) would be spent on FDK operational expenses during FY21, leaving a \$0 balance. The Finance Committee agreed.
3. The town will pick up the full cost of benefits for FDK employees, as it does for other school employees, beginning in FY21 (estimated at a total of \$140,000 for FY21). The Finance Committee agreed.

4. The full Chapter 70 incremental increase directly resulting from the elimination of FDK tuition will be included in the school FY22 operating budget. Discussion ensued including the following highlights:
 - a) The impact of Full Day Kindergarten cannot be looked at in isolation and must be considered in light of the entire budget.
 - b) Wait for release of the FY21 budget before making commitment to incremental increase in the overall school budget.
 - c) Additional chapter 70 revenue comes to the town as a result of the action to move to full day kindergarten and may be earmarked to the school for one year.
 - d) The incremental increase in state aid will go directly to offset costs, but the operating budget will nevertheless be larger than FY21 and will continue to increase each subsequent year.
 - e) Fund the program and acknowledge that \$1M in revenue will be needed, but the net impact to the taxpayers will be neutral because of the anticipated increase in Chapter 70 funds.
 - f) What is the general sentiment of the finance committee to support the policy of the school committee.

Following discussion and upon motion duly made by Mr. Christopulos and seconded by Mr. Barry, it was voted to support the School Committee's proposal to eliminate full-day kindergarten fees and the four points of endorsement listed above requested by Mr. Blumstein in his memo to the Finance Committee dated December 20, 2019 (see attached.) Motion passed 6-1 with Ms. Anderson opposing.

Historic Mill District Update – Mr. Simko

Mr. Simko updated the committee on the HMD project since his presentation on October 23rd (see attached.) The RFP for the purchase of land (leasing was eliminated as an option) must be finalized by January 24th when the warrant closes. Discussion ensued including the following highlights:

- a) The reasons for eliminating a land lease as an option for the disposition of 11 Lewis Street, including a possible increased likelihood of a developer's ability to be willing to acquire abutting properties.
- b) Impact of design guidelines on underlying zoning for 11 Lewis Street and the surrounding overlay district.
- c) Phased-in series of deposits at bidding, selection and signing of LDA required of developers as well as collection of proceeds at closing.

- d) Development of vehicular “ecosystems” options within and outside of the HMD.
- e) Sewer and water infrastructure changes will be funded by combination of developer and state grant monies with no town contribution.
- f) Whether or not anticipated tax revenue once the land is developed would be taken into consideration.
- g) The Zoning by-law identifies parking requirements for any new construction. Regarding the exiting MBTA parking lot, the MBTA will require preservation of its existing parking spaces (149) if future development is proposed on its site.
- h) Continuing public input/collaboration will be encouraged throughout rest of the outreach process, including the Land Disposition Agreement.
- i) There are likely to be three separate articles on the warrant for ATM relating to the disposition of 11 Lewis Street.

Triboard Recap – Mr. Christopulos

Mr. Christopulos summarized the Triboard Meeting and the CIP review by emphasizing the Finance Committee’s position that the “need to haves” take priority of the “nice to haves” and that unfunded liabilities take precedence. The proposed CIP. The budget is expected to be released in February.

The Town Manager thanked the Committee for its feedback and stated that the budget will reflect adjustments to free cash articles between \$100K-\$1M to take into consideration reducing the “nice to haves.” Also, while maintaining public safety, the tree CIP Article will likely be reduced as well improvements to the Merrimack River access. Adjustments to the initially proposed CIP will take into account the Finance Committee’s recommendations, resulting in some reduction.

Mr. Christopulos emphasized the committee’s focus on the looming crisis of unfunded liabilities. Ms. Moffitt stated that a working subcommittee has been formed to address these issues. The subcommittee members are Messrs. Russo, Taylor and Betts.

The Town Manager reported that the Revenue and Expenditure Task Force was voting tonight, January 8, on its initial recommendations. Those recommendations would include input to the Town Manager with regard to budget assumptions. Those recommendations will stimulate community input and discussion.

Also discussed was the air conditioning project for elementary schools and a request for more information will be scheduled with the schools and the Director of Facilities.

Preliminary Review of New Finance Committee Report

Ms. Anderson reviewed the current status of the Finance Committee report, following up on the December 4th discussion about which areas of the report should be kept, revised or deleted.

Discussion ensued including topics of:

- a) RFP's have been sent to printers with a return deadline of January 24.
- b) A revised schedule of upcoming Finance Committee and other budget related meetings was distributed.
- c) Mr. Russo has begun to develop the tax impact page and is working with Ms. Walsh and Mr. Lawlor on those numbers.
- d) The upcoming draft Finance Committee schedule for department head presentations is:
Jan 22 – DPW/P&F; School (Mr. Russo to submit questions ahead of meeting).
Feb 12 – Fire/Police
Feb 26 – IT
- e) March 7 – Saturday Meeting with all departments.

Approval of Minutes – December 4, 2019

Upon motion duly made by Mr. Christopulos and seconded by Ms. Anderson, it was voted to approve the above minutes. Motion passed 5-0-2 with Mr. Russo and Ms. Logee abstaining.

Approval of Minutes – Triboard December 11, 2019

Upon motion duly made by Mr. Russo and seconded by Ms. Logee, it was voted to approve the above minutes. Motion passed 5-0-2 with Mr. Barry and Ms. Anderson abstaining.

Adjournment

Upon motion duly made by Mr. Russo and seconded by Mr. Barry, it was unanimously voted to adjourn. Motion passed 7-0. Meeting adjourned at 9:20PM.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Attachments:

Minutes of December 4 and December 11 Triboard
School Committee Letter re Full Day Tuition Free Kindergarten
HMD Presentation – Mr. Simko
School Budget Presentation – Mr. Russo